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ABSTRACT

In January 1970, the Department of Labor restructured its Neighborhood Youth Corps (NYC) out-of-school program and made age limits for entering the program more restrictive. Education, skill training, and work experience were emphasized. The restructured NYC-2 program was carried out in urban or growth areas, but the original NYC-1 program was continued in the remaining locations in the country. To test whether the department's restructuring had improved the program, the General Accounting Office (GAO) reviewed five NYC-2 projects in Birmingham, Cleveland, Philadelphia, San Antonio, and San Francisco. In 1969 GAO reported to the Congress that the NYC initial out-of-school program was essentially a work experience program serving as a temporary holding action until enrollees could find better jobs or secure training through other Federal or local programs. GAO questioned the need for the out-of-school progrm operated at that time because of the availability of other programs to meet enrollees needs. The restructured out-of-school program objectives were to place enrollees in suitable jobs, advanced training, or further education after they leave the program. Community sponsors, such as public or private nonprofit agencies, plan, administer, coordinate, and evaluate the program. (Author/JM)

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REPORT TO THE CONGRESS

Restructured Neighborhood Youth Corps Out-Of-School Program In Urban Areas B-130515

Department of Labor

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BY THE COMPTROLLER GENERAL OF THE UNITED STATES

APRIL 2, 1974

UD 014396

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-130515

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the Department of Labor's restructured Neighborhood Youth Corps out-of-school program in urban areas.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget, and to the Secretary of Labor.

Elmer B. Staats

Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
GED	General Educational Development
NYC	Neighborhood Youth Corps

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

RESTRUCTURED NEIGHBORHOOD YOUTH CORPS OUT-OF-SCHOOL PROGRAM IN URBAN AREAS
Department of Labor
B-130515

D I G E S T

WHY THE REVIEW WAS MADE

In January 1970 the Department of Labor restructured its Neighborhood Youth Corps (NYC) out-of-school program and made age limits for entering the program more restrictive. Education, skill training, and work experience were emphasized.

The restructured NYC-2 program was carried out in urban or growth areas, but the original NYC-1 program was continued in the remaining locations in the country.

To test whether the Department's restructuring had improved the program, GAO reviewed five NYC-2 projects in Birmingham, Cleveland, Philadelphia, San Antonio, and San Francisco.

In 1969 GAO reported to the Congress that the NYC initial out-of-school program was essentially a work experience program serving as a temporary holding action until enrollees could find better jobs or secure training through other Federal or local programs.

GAO questioned the need for the out-of-school program operated at that time because of the availability of other programs to meet enrollees needs.

The restructured out-of-school program objectives were to place enrollees in suitable jobs, advanced training, or further education after they leave the program.

Community sponsors, such as public or private nonprofit agencies, plan, administer, coordinate, and evaluate the program.

The Department allocated about $70 million to finance the restructured NYC-2 out-of-school program in fiscal year 1973. On December 31, 1972, 24,600 youths were enrolled.

FINDINGS AND CONCLUSIONS

Was the restructured program successful in meeting its new objectives? This question could be answered only partially because the Department had not set specific goals or measurement standards against which program accomplishments could be compared.

It had not defined what should be considered a successful placement of an enrollee, and projects had not accumulated adequate information on program results.

Some insight into the benefits youths derived from the program can be gained by an analysis of available information.

Of the 1,917 enrollees who left the five projects in calendar year 1972, 29 percent met the programs' objectives. Of the 29 percent

--21 percent left to take jobs,

--3 percent entered military service,

--3 percent returned to school, and

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--2 percent entered other programs. (See p. 9.)

San Antonio showed greater success in meeting program objectives than all other projects. Birmingham and Philadelphia were more successful than Cleveland and San Francisco.

It is significant that San Antonio followed program requirements more closely than the others and also provided a better range of services. Cleveland and San Francisco were the least successful and were the most deficient in assisting enrollees. (See p. 10.)

Enrollees received, in addition to money, such program benefits as increased proficiency in specific skills, improved work habits, and increased educational achievements.

Although the program continued to be a "temporary holding action" until enrollees were old enough to compete in the job market, it is likely that program participation would make them better able to compete than had they not been enrolled. (See p. 12.)

Program implementation varied

The five projects varied widely in program thrust, the types of services offered, and the manner in which services were performed.

The Department's guidelines say each project is expected to provide enrollees with a blend of education, skill training, and work experience. Projects in San Antonio, Philadelphia, and Birmingham generally provided the desired blend; Cleveland and San Francisco did not.

Cleveland and San Francisco emphasized education. Both retained full-time students--some in college, most in high school--in the out-of-school program even though Department standards require that enrollees returning to school be dropped. These enrollees should have applied to the in-school program which is specifically designed to assist low-income youths to stay in school.

GAO recognized that slots may not be available in the in-school program. However, GAO did not believe it was comtemplated or equitable to pay full-time students in the out-of-school program to attend classes when in-school enrollees were paid only for work outside the classroom. For example:

--In Cleveland, a student in the in-school program received $12 to $16 a week for 7.5 to 10 hours of work outside the classroom.

--An enrollee in the out-of-school program attending the same classes received $39.75 a week and, if head of a family or household, received $53 plus $5 for each dependent and was not generally required to work.

GAO concluded that program objectives were met when enrollees returned to high school or entered college and that the retention of these youths in the out-of-school program prevented other eligible youths from receiving assistance. (See p. 20.)

Services to enrollees varied

The program was designed to improve enrollees' occupational potential through assessing, developing employability plans, carrying out these plans, and evaluating their progress.

Assessment

To assess occupational potential of enrollees, projects are directed to identify aptitudes, interests,

abilities, disabilities, and personal problems of enrollees, generally through interviewing and testing.

San Antonio, Philadelphia, and Birmingham did a good job of assessing enrollee capabilities and needs through testing and interviewing. In San Francisco some enrollees were tested when they entered the program, others were tested later, and some were never tested. Cleveland did little or nothing to determine enrollee needs. (See p. 22.)

Employability plans

After assessment, projects and enrollees are to establish goals and employability plans to meet the goals. The plans should be blueprints for achieving enrollee goals and provide bases for measuring enrollee progress.

San Antonio developed the most specific and useful plans; Philadelphia and San Francisco developed adequate plans. Birmingham and Cleveland did not prepare employability plans, although some elements of a plan were included in enrollee records. (See p. 24.)

Evaluating enrollee progress

The Department requires projects to evaluate enrollees at least every 3 months to determine if they are progressing satisfactorily. San Antonio did a good job evaluating enrollee progress; Birmingham and Philadelphia did an adequate job. Cleveland and San Francisco, however, did a poor job. (See p. 25.)

Administrative weaknesses

GAO noted that projects needed to improve certain administrative practices. (See pp. 28 to 31.)

RECOMMENDATIONS

To better assess program effectiveness and improve program management and efficiency, the Department of Labor should:

--Establish goals for measuring project success in meeting program objectives or, as an alternative, require sponsors to establish such goals for their projects which are realistic for the labor-market area involved.

--Define the term "placement" to enable projects to gather accurate and comparable placement data. (See p. 14.)

--Reemphasize to project sponsors the importance of providing enrollees with a blend of education, skill training, and work experience to increase their employability. (See p. 21.)

--Reemphasize to project sponsors the need to improve assessment and establish testing requirements to insure that enrollee needs are identified. (See p. 27.)

--Reemphasize the need to prepare employability plans specifying how enrollee needs will be met and to periodically evaluate enrollee progress. (See p. 27.)

--Advise its regional offices to be alert for indications that projects are allowing enrollees who are full-time students to remain in the NYC out-of-school program. (See p. 21.)

--Reemphasize the importance of adequate monitoring. (See p. 32.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department generally concurred in GAO's recommendations and outlined various actions it was taking or planned to take to bring about needed improvements. (See p. 35.)

The Department said it had defined the term "placement" for NYC-2 program purposes and its Operational Planning and Control System dealt with the placement question and provided a basis for regional performance standards. The Department also said that, although it had not established individual project goals, it expected tangible results from the projects.

GAO believes that the Department has not adequately defined the term "placement" and that it should further consider the establishment of project goals. (See p. 12.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

The Comprehensive Employment and Training Act of 1973 Public Law 93-203) was approved December 28, 1973. This act eliminates a number of categorical programs, including NYC. However, the legislation authorizes youth programs similar to NYC. GAO believes, and departmental officials concur, that NYC-type programs will be carried on under the Comprehensive Employment and Training Act of 1973 for the foreseeable future.

GAO believes the information contained in this report should be helpful to the Congress by pointing out the types of problems that previously occurred and the types of corrective actions program sponsors will have to take to make the programs more effective under the new legislation.

CHAPTER 1

INTRODUCTION

The Economic Opportunity Act of 1964, as amended (42 U.S.C. 2740), authorizes the Neighborhood Youth Corps (NYC) program, which the Department of Labor administers on authority delegated by the Director, Office of Economic Opportunity, on October 23, 1964. The program provides paid training and work experience to youths from low-income families so they can resume or continue their education, develop their occupational potential, and obtain employment.

NYC PROGRAMS

The act authorizes programs that provide

--part-time employment, on-the-job training, and useful work experience to students from low-income families in the 9th through 12th grades or those equivalent in age who need income to resume or continue their education or

--useful work and training (including sufficient basic education and institutional or on-the-job training) designed to assist unemployed, underemployed, or low-income persons (aged 16 and over) to develop their maximum occupational potential and obtain regular competitive employment.

The Department established the in-school and summer programs to achieve the first objective and the out-of-school program for the second.

The out-of-school program has been restructured into two components--NYC-1 and NYC-2. NYC-1, the original design, operates in small communities and rural areas and emphasizes work experience and training for dropouts. NYC-2, the subject of this report, operates in urban and growth areas and provides education, skill training, work experience, and support services primarily to 16- and 17-year-old dropouts (10 percent may be 18-year-olds and 19-year-olds). The Department considers program objectives met, when an enrollee leaves the program to accept a suitable job or enters advanced training or further education. Enrollment in the program is limited to 24 months.

Community sponsors, such as public or private nonprofit agencies, carry out the program by planning, administering, coordinating, and evaluating their programs.

We reviewed activities of five projects in Birmingham, Cleveland, Philadelphia, San Antonio, and San Francisco. The scope of our review is discussed in chapter 6.

PREVIOUS REPORT TO THE CONGRESS

In a March 1969 report to the Congress (B-130515), we summarized the results of our reviews at a number of NYC projects. At that time, the out-of-school program emphasized work experience and improving work habits of enrollees. Work training was usually built around menial tasks, such as custodial and cleaning work in buildings and general labor or maintenance.

We reported that the out-of-school program was serving as a temporary holding action until the enrollees could find better jobs or secure training through other Federal or local programs. Because of this and because Manpower Development and Training Act programs offered specific skill training to unemployed and underemployed persons, we questioned the need for the out-of-school program.

In January 1970 the Department restructured the program and created NYC-2. Age limits for entering the program became more restrictive; i.e., limited primarily to 16- and 17-year-olds, whereas previously the program was available to those 16 years old and older. During our prior review we found that 55 percent of the enrollees were 18 years old or older. Education, skill training, and work experience were emphasized under the NYC-2 program.

PROGRAM FUNDING

The Department budgeted $121 million ($70 million for NYC-2) for the out-of-school program in fiscal year 1973. At December 31, 1972, the Department reported 24,600 youths enrolled in NYC-2 and 17,100 in NYC-1.

Federal funding and authorized slots for each project included in our review are shown below.

NYC	Period covered From	To	Federal funds	Authorized slots
Birmingham	9-72	7-73	$ 803,860	256
Cleveland	8-72	8-73	1,360,000	400
Philadelphia	7-72	7-73	1,290,790	310
San Antonio	8-72	7-73	960,000	300
San Francisco	7-72	7-73	537,320	175
			$4,951,970	1,441

Beginning with fiscal year 1974, the Department had intended to initiate decategorization of many Federal manpower programs, including the NYC program, and funds formerly provided for the categorical programs were to be provided to recipients or sponsors in block grants under the President's proposed Manpower Revenue Sharing Program. Under manpower revenue sharing, the recipients would choose the type of manpower programs to be implemented in their localities and plan and operate the programs as well.

The Comprehensive Employment and Training Act of 1973 (Public Law 93-203), was approved on December 28, 1973. This act eliminates a number of categorical programs, including NYC, and provides funds to sponsors along the lines contemplated in the manpower revenue-sharing concept. However, section 304(a)(1) and (2) of the legislation authorizes youth programs in generally the language quoted on page 5 of this report. We believe, and departmental officials concur, that NYC-2 type programs will be carried on under the Comprehensive Employment and Training Act of 1973 for the foreseeable future.

This report contains a number of recommendations to the Secretary of Labor to make the NYC out-of-school program more effective. Several suggest that the Secretary clarify or reemphasize program guidance to project sponsors. The same suggestions would apply to whatever guidance is provided to States and local governments for operating programs under the new legislation.

NYC-2 ENROLLEES

The five projects reviewed directed their efforts toward the young low-income dropouts. Data from a random sample of

enrollee files shows that most enrollees, when tested to measure their academic achievement, scored below national averages for their age and grade level. The following tables show additional data on enrollees in the program at the time of our review.

	Enrollees	Percent	
		Male	Female
Birmingham	277	25	75
Cleveland	315	19	81
Philadelphia	294	31	69
San Antonio	294	43	57
San Francisco	157	61	39
Total	1,337		

Youths from families receiving cash welfare payments are automatically considered to meet the low-income eligibility criteria. The following table shows the percentages of enrollees from families on welfare and those that have dependents. Most of those on welfare are recipients of Aid to Families with Dependent Children.

	Enrollees	Percent on welfare	Percent with dependents
Birmingham	277	53	52
Cleveland	315	70	56
Philadelphia	294	52	39
San Antonio	294	36	26
San Francisco	157	31	11
Total	1,337		

The above data shows marked differences in project composition. In Cleveland, the typical enrollee is female, has a dependent, and is on welfare. In contrast, the typical San Francisco enrollee is male with no dependents and not on welfare.

CHAPTER 2

OBSERVATIONS OF NYC-2 EFFORTS

Assessing a Federal program's effectiveness is by no means a clear-cut task, particularly in the social program areas. The NYC-2 program is no exception. We cannot, with any degree of certainty, measure the impact of NYC-2 on a youth's chances for a good job. The program is only one factor, and it is often impossible to isolate the program's impact from other influences which affect a youth's success or failure in obtaining a job. Because the Department did not establish criteria necessary to measure project accomplishments and projects did not accumulate adequate information on program results, it was not possible to measure how successful the program was in achieving its objectives.

Some insight into the benefits youths derive from the program can be obtained, however, by evaluating the available information on project performance.

Project records at the five locations visited showed that 29 percent of the enrollees met the NYC-2 program objectives.

Of the 29 percent

--21 percent left for employment,

--3 percent entered military service,

--3 percent returned to school, and

--2 percent entered other programs.

Placement data from individual projects is shown in the following table; the details of all terminations during calendar year 1972 are shown in appendix II.

Location	Total terminations	Percent leaving for: Employment	Military service	School	Other programs	Total
San Antonio	713	26	2	5	2	35
Birmingham	282	21	4	2	3	30
Philadelphia	463	18	3	2	2	25
San Francisco	197	14	2	5	-	21
Cleveland	262	15	3	-	-	18
Total	1,917	21	3	3	2	29

San Antonio shows greater success in meeting program objectives than all other projects; Birmingham and Philadephia are more successful than Cleveland and San Francisco. As discussed in chapters 3 and 4, San Antonio followed program requirements more closely than the others and also provided a better range of services. Cleveland and San Francisco were the least successful in placing enrollees and were the most deficient in assisting enrollees.

None of the five projects gathered data which show whether

--the program was primarily responsible for the placement,

--the placement involved a temporary or short-term placement, and

--the job was training related or the rate of pay in cases where the placement involved employment.

All of these represent elements of a valid placement as defined for various other manpower programs. Thus, neither we nor project administrators or departmental officials could tell very much about the reported placements. Lacking a goal against which to match a project's performance, we were unable to make a judgment concerning whether the project's accomplishments were better or worse than the Department expected.

CRITERIA LACKING TO MEASURE PROGRAM ACCOMPLISHMENTS

The Department set, as objectives for NYC-2, placement in a suitable job, advanced training, or further education. The Department did not, however, establish criteria for what would be considered a successful placement or goals for measuring whether projects were performing at an acceptable level.

The Department has defined what it considered a "successful placement" and has established placement goals for other manpower programs. The NYC-2 program operates without the benefits of such aids.

Obviously establishing a definition of a successful placement carries with it the need for some followup to learn whether it is being properly applied. Followup has been a requirement in many manpower programs, including NYC-2, for some time, although it has not always been carried out properly. More importantly, establishing a definition of "placements" and goals to be strived for by NYC-2 projects in terms of numbers of placements would seem to us to be the logical first step toward developing a system for managing and evaluating project operations.

Inherent in defining "placement" is the need to establish a system where the pertinent factors which set placement apart from other terminations are documented for evidence of compliance with the definition and for future evaluations.

The mechanism for gathering data already exists in the form of the "Individual Termination/Transfer Report" (MA-102) which is required for all NYC-2 program terminees and which could be adapted for use in documenting whether an NYC-2 program placement met the definition's requirements. Coupled with the required followup, the Department could in a short time have an operating system which would provide data on program placements. This placement data would then also be available to evaluate the extent to which the program's placement rate compares with the Department's expectations.

GENERAL OBSERVATIONS ON BENEFITS TO ENROLLEES

The restructured program provides greater benefits to enrollees than the prior out-of-school program. The earlier program emphasized work experience and improving work habits; educational efforts were almost nonexistent. The restructured program expands the concept of help and emphasizes giving enrollees a blend of education, skill training, and work experience. This should be more beneficial to enrollees preparing for the job market.

Notwithstanding the value of the concept, two of the five projects reviewed did not provide most enrollees a total program of assistance. These two projects--Cleveland and San Francisco--were the least successful in meeting program placement objectives, but, lacking criteria, the success of the other three projects can be measured only relatively.

Overall, NYC-2 enrollees received some benefits from the education, training, and supportive services the program offered. Although few obtained proficiency in specific skills, many improved their work habits, increased their educational achievements, and as a result became more competitive for jobs. Enrollees in the more efficient projects benefited more than those in less efficient projects.

For the most part NYC-2 enrollees continue to lack the educational credentials employers and trade unions consider necessary. For youths that do not obtain educational credentials through successfully completing the educational components of the program, the program continues to be a temporary holding action until they turn 18 and can, in accordance with most State laws, compete in the regular job market. Because it is difficult for youths under 18 to obtain meaningful jobs due to State minimum age laws, for those youths under 18 that leave the program without a job or without being placed in further education or training, the money received while in the program may be the most significant benefit.

AGENCY COMMENTS AND GAO EVALUATION

The Department said its program standards define "placement." (See app. I.) According to the Department, under the restructured program, its officials are concerned not

merely with the placement of enrollees into permanent unsubsidized employment, but with referrals to advanced training or further education which they view to be features of equal magnitude.

According to the Department, its new Operational Planning and Control System now zeros in on placement. The Department acknowledges that it is refining this system but believes it will be able to use the data being collected to establish future performance standards.

Although it has not established program goals for individual projects, the Department says it expects tangible results through the implementation of the guidelines under which project sponsors are to (1) insure that enrollees have access to opportunities for employment, higher education, scholarships, more advanced training, and apprenticeship and (2) provide each enrollee with appropriate placement upon completion of training.

We are, and have been, aware of the discussion of the term "placement" contained in the NYC-2 program standards and referred to in the Department's comments.

> "* * * Placement. The sponsor shall take appropriate action to ensure that enrollees have access to opportunities for employment, scholarships, more advanced training, and apprenticeship.
>
> "Upon completion of NYC-2 training, the sponsor is expected to provide each enrollee with appropriate placement in work, education, or training. Full use of the Employment Service is expected."

The quoted discussion does not, in our view, constitute a definition of "placement" and, as pointed out earlier in this report, projects are not gathering the information which, for other Department programs, is necessary to ascertain whether a successful placement has occurred. We agree that referral to advanced training or further education constitutes valid objectives for the NYC-2 programs and these placements are perhaps the easiest to clearly identify. The major area of concern is in the area of

placements in unsubsidized employment and whether placements reported (1) were program related, (2) were of a permanent nature, and (3) paid a reasonable salary.

The Operational Planning and Control System referred to in the Department's comments deals with a number of items, including placements, and included NYC-2 activity as a category, for the first time in fiscal year 1974.

The placement data used in the system is generated under the guidance set forth in the NYC-2 standards, however, and, as previously discussed, we believe this guidance to be inadequate. The system will not establish program goals for the NYC-2 program; it accumulates placement data from all regions and computes an average against which each region's performance will be measured. The Department's new system represents a step in the right direction, and, if the Department's definition of a placement were improved, the value of the data gathered by it would be increased.

The Department's comments concerning establishing goals for NYC-2 project sponsors does not in our view deal with developing a measure to help evaluate the effectiveness of a particular project. Tangible results are expected under all programs, and the remaining commentary on this matter is substantially a reiteration of the discussion of placement contained in the NYC-2 program standards.

We believe that the Department has not adequately defined "placement" and that it should further consider the establishment of project goals.

RECOMMENDATIONS TO THE SECRETARY OF LABOR

To measure program accomplishment and to help make informed decisions on future actions, the Secretary should (1) specifically define "placement" as it applies to NYC-2, (2) require a system for gathering placement data, to include data to show whether placements meet the requirements of the definition, and (3) establish placement goals for the NYC-2 program, or as an alternative, require sponsors to establish such goals for their projects which are realistic for the labor-market area involved.

CHAPTER 3

PROJECT IMPLEMENTATION VARIED

The projects we reviewed varied widely in how they interpreted and followed NYC-2 program guidelines on program emphasis. The San Antonio, Birmingham, and Philadelphia projects generally provided enrollees the desired blend of education, skill training, and work experience. The Cleveland and San Francisco projects, however, did not provide most enrollees a blend--both had emphasized education. Enrollees not receiving appropriate blends do not benefit fully from the program.

Cleveland and San Francisco retained enrollees in the out-of-school program after they returned to school, contrary to program requirements, and created inequitable situations. Out-of-school enrollees were paid to attend classes and generally were not required to perform other work, although in-school enrollees were paid only for work outside the classroom, generally after-school hours. Also youths retained in the out-of-school program after they returned to school prevented other needy school dropouts from entering the program.

Appendix III shows the blends the projects provided and the percentage of enrollees participating in each category at the time of our review.

PROGRAM GUIDELINES

In describing the special emphasis to be provided enrollees, the guidelines for the NYC-2 program stated that:

> "Sponsors of NYC-2 projects are expected to organize their program to provide each enrollee with an appropriate blend of education, skill training, work experience, and supportive services. The scope of these components will depend upon local resources, available funds, and the needs of the individual enrollees. The education component, however, must not be compromised to provide funds for strengthening other components. Flexible employability plans for every NYC-2 enrollee will reflect the extent to which the enrollee will participate in each of these components.

"The objectives of NYC-2 will be achieved when the enrollee has successfully completed his participation and is placed in suitable employment, advanced training, or further education."

PROJECT IMPLEMENTATION

San Antonio

San Antonio adhered more closely to NYC-2 guidelines on program emphasis than the other projects. Its stated policy follows:

> "The primary purpose of the SANYO [the San Antonio project] NYC-II Program is to enhance the employability of disadvantaged school dropouts, ages 16 through 19, from poverty level families. Whenever possible, this is done by returning the individual to full-time school, either secondary or collegiate level. However, in most cases it is necessary to prepare the individual to compete for and enter regular, permanent, unsubsidized employment by providing him skill training and/or work experience, remedial education, individual and group counseling, supportive services, and job placement assistance."

The project operated its own school to provide remedial education in five levels--basic, fundamental, intermediate, advanced, and General Educational Development (GED)--from below the fifth to above the eighth grades. In addition, the project operated skill-training classes, such as typing and other office skills, automobile mechanics, carpentry, and welding. Most enrollees divided their time between remedial education and work experience or skill training. Of the 294 enrollees, 249 were in two or more components.

Birmingham

Birmingham emphasized remedial education and work experience and provided skill training only after an enrollee had shown he was capable.

The project director said specific vocational goals were not set at the time of enrollment because the youths were

generally immature, had low educational achievements, and had limited exposure to job requirements. During the first year, he assigned enrollees to remedial education classes and to worksites that provided work experience in vocational areas they selected. The director said this practice allows the project time to identify most suitable goals. The project evaluated the enrollees periodically to determine whether they should be assigned to skill-training classes.

The project provided remedial education in science, math, English, and social studies. Classes were divided into four levels, from below the 3d grade to the 11th grade. In addition, the project contracted with 6 skill-training centers for training in 15 vocations, including brickmasonry, autobody repair, and such secretarial-type studies as typing and stenography.

Of the 277 enrollees, 192 were in two or more components, 84 were in skill-training centers which provided some remedial education, and 1 was involved only in work experience.

Contrary to program requirements the project permitted 18 youths who returned to high school and 2 who entered college to remain in the program. These enrollees were paid for full-time attendance at their high school or college classes. They received skill training or work experience generally for only 1 or 2 hours a day.

According to the project director, his policy does not allow enrollees to attend school full time while in the program. However, he allows enrollees to attend regular high school for up to 4 hours a day and requires them to participate in work experience or skill training for the remainder of the day. The director said Birmingham does not have an in-school program and sometimes an enrollee attending school will sign up for additional courses after the session begins, which results in the enrollee's attendance at school for more than 4 hours.

With respect to NYC enrollees who were classified as full-time students by the various high schools, the project director said he would terminate those enrollees who continued to attend full time.

The project director said he allowed the two students who attended college to do so because as enrollees they had shown some promise and had passed GED. Also he believed their continued enrollment was proper because their college attendance was an outgrowth of the NYC-2 program. Although the Atlanta Regional Manpower Administrator initially concurred in the project director's position, Department of Labor headquarters officials later advised us that the two college students had subsequently been terminated from the program.

Philadelphia

Philadelphia's policy was consistent with NYC-2 guidelines, and it emphasized a blend of education, skill training, and work experience. The project had difficulty, however, in providing the desired blend to its enrollees. Although most received work experience or skill training, 112 needed, but did not receive, remedial education.

The project director said funds for education were reduced in July 1972 causing the project to cancel an education contract with the local Opportunities Industrialization Center.

The project has two types of skill training--classroom and on the job. A private business school provides classroom training to train clerks, typists, and keypunch operators. Various city and Federal agencies provide on-the-job training. Although most on-the-job training provided little or no real skill training, meaningful work experience was obtained in office, shop, and service positions.

Like Birmingham, the project retained a few enrollees in the program after they returned to high school. The project director said the NYC in-school program did not have slots available for the seven retained enrollees.

Cleveland

Cleveland did not provide a blend of education, skill training, and work experience but paid most enrollees to attend high school or college and did not require them to participate in skill training or work experience. Of the 315 enrollees, 213 were in school.

According to the project director, the project emphasized returning to school because most jobs required a high school diploma. Also vocational or skill training was not emphasized because the age of the target group and the location of some training sites limited the type and quality of training available. He said the project did not (1) have funds to offer its own vocational training and (2) stress job placement because Cleveland's labor market was tight and industry's moving to the suburbs caused transportation problems for inner-city youths.

The usefulness of a high school diploma is well recognized, but retaining enrollees in NYC-2 after they return to school is inconsistent with the program's basic objectives. NYC-2 is for youths who have dropped out of school, need to raise their educational levels, and learn skills and good work habits. It was not designed to pay youths to attend school full time.

In addition, paying enrollees to attend classes creates inequitable situations. Youths in the NYC in-school program--specifically established to assist low-income youths to continue school--received $12 to $16 a week for up to 10 hours of work outside the classroom. An out-of-school enrollee attending the same classes received $39.75 a week or, if head of a family or household, $53 plus $5 for each dependent, generally without working. Also, because of the limited number of slots in NYC-2, retaining enrollees after they return to school prevents other school dropouts from entering the program.

We discussed the results of our review with officials of the Department's Chicago regional office--specifically advising them that full-time students were retained in Cleveland's out-of-school program. The Chicago office subsequently sent a review team to examine the Cleveland project's operations--no team had monitored the project since July 1971--and in a July 3, 1973, letter advised the sponsor to terminate all full-time students from the program.

San Francisco

This project also did not follow basic program requirements in that

--about half the enrollees did not receive a blend of education, skill training, and work experience and

--about half the enrollees were retained in the program after returning to school.

Although the project's program included education, skill training, and work experience, it emphasized education and 79 of the 157 enrollees were paid to attend high school or college. The project director said he emphasized education because jobs were not readily available for 16- and 17-year-olds, and employers generally required workers to have at least a high school education.

In addition to sending enrollees back to school, the project offered remedial courses in reading, math and GED preparation, and skill training in carpentry, plumbing, welding, and business office procedures. The project not only has its own facilities for providing these programs but also uses local vocational schools and Government sites.

In a meeting with project officials and with the Department's San Francisco regional office officials, we discussed the results of our review, including payments to enrollees attending high school or college. The regional office had visited the San Francisco project in November 1972, but the review, which was made in 1 day, did not disclose this problem. In an April 1973 letter, the regional office pointed out that the out-of-school program was not designed for youths simply attending high school. Also the letter said that NYC participation should not continue after an enrollee has received a high school diploma and has entered college. The project advised the Department that it had terminated most of the enrollees that we had reported as attending high school full time and that it would refer those remaining enrollees wishing to remain in high school full time to the in-school program. For those in college, the project planned to assist them in obtaining financial assistance from the college.

CONCLUSIONS

Some variations in emphasis under such a program as NYC-2 can be expected since the combination of enrollee needs and available resources to meet these needs determines such

emphasis. In the Cleveland and San Francisco projects primarily and to a lesser extent in Birmingham, the variations were of such significance that the projects were operating outside the NYC-2 program framework. Because of this

--a significant number of enrollees did not receive a blend of education, skill training, and work experience and therefore did not receive maximum benefits from the program and

--financial inequities were created between in-school and out-of-school enrollees

Also, because departmental data shows that program funds provide slots for only a small number of eligible school dropouts, eligible youths were probably denied assistance because the program retained full-time students.

RECOMMENDATIONS TO THE SECRETARY OF LABOR

We recommend that the Secretary direct the Manpower Administrator to reemphasize to program sponsors the importance of (1) providing enrollees with an appropriate blend of education, skill training, and work experience to increase their employability and (2) providing such services within the framework of established program guidelines.

We recommend also that the Secretary advise all the regional offices to be particularly alert for indications that projects are allowing enrollees who are full-time students to remain in the NYC out-of-school program.

AGENCY COMMENTS

The Department agreed with our recommendations and said it would emphasize to its field offices the need for providing appropriate blends of services and the importance of adhering strictly to requirements for continued participation in cases where an enrollee desires to return to school.

CHAPTER 4

VARIATIONS IN PROVIDING SERVICES

The five projects did not offer the same type or quality of services. For example:

--Three projects had good assessment, two did not.

--Three prepared employability plans and generally followed them, one developed only a general plan for all enrollees, the remaining one did not prepare a plan.

--Three adequately evaluated enrollee performance, two did not.

NYC-2 was designed to improve youths' chances of getting jobs by assessing their needs, outlining plans to meet these needs, carrying out the plans, and periodically evaluating enrollee progress. This chapter describes these services, how each project performs the services, and our evaluation. We selected a random sample of enrollees at each project and reviewed project efforts to help them.

ASSESSMENT

Assessment may be the most vital aspect of a project's assistance to dropouts. Through interviewing and testing, enrollees' aptitudes, interests, abilities, disabilities, and personal problems are identified. Without this information, projects cannot develop meaningful plans to assist enrollees.

All projects interviewed applicants adequately. Generally enrollees discussed their occupational goals and preferences with the counselors. San Antonio, Philadelphia, and Birmingham did a good job of testing to assess enrollee capabilities and needs. San Francisco and Cleveland need to improve their testing.

In San Antonio all 94 enrollees in our sample were tested when they entered the program. Generally enrollees were given an achievement test to determine their general education level and an intelligence test to determine ability to learn. The achievement test was used to assign enrollees to one of five levels within the remedial education program.

The 49 sample enrollees in Philadelphia were tested upon entering the program. Achievement, intelligence, and aptitude tests were given. Enrollees were periodically retested to measure their educational progress. A private firm under contract with the project tested the enrollees.

Birmingham also did a good job of testing--of the 30 sample enrollees, it tested 29. Most were given at least three tests--intelligence, achievement, and interest. The project used the test results to assign enrollees to the remedial education program. The one enrollee not tested returned to school almost immediately after enrolling in the program.

In San Francisco the project gave aptitude or achievement tests but not to all enrollees. The project tested only 30 of 74 sample enrollees when they entered the program, later tested 22, and never tested the remaining 22. Of the 22 the various educational institutions they were attending tested 10. Of the remaining 12, 9 entered the program when testing was not done and 3 were Spanish-speaking for whom testing was then unavailable. The testing administrator said test scores were not used to make initial enrollee assignments, although they were considered in selecting those for the special education program.

Corrective action appears to be underway in San Francisco. By the time we began our fieldwork in January 1973, the project had adopted a policy for testing every enrollee. We did not determine how well it was being implemented, because we sampled records of enrollees who entered the program before the project tested all enrollees.

Cleveland needs to substantially improve its testing. Only 16 of the 99 sample enrollees were tested to determine their functional grade level. Without testing, Cleveland had no valid basis for determining enrollee needs. Even when tests were given, the project apparently paid little attention to the results, as indicated by the fact that it returned five enrollees to high school when test results showed they needed remedial education. These enrollees failed or withdrew from all their fall 1972 high school courses.

According to these officials, they did not test enrollees because enrollees were (1) absent on the day the test was given, (2) in school when the test was given, and (3) not scheduled for testing.

EMPLOYABILITY PLAN

After assessment, enrollees and counselors are to jointly prepare employability plans showing enrollees' capabilities, needs, goals, and how these goals will be reached. These plans can serve to allow an enrollee to plot his progress and to see from his employability plan how each advancement in education and training brings him closer to his goals.

San Antonio had the most specific and useful plans and Philadelphia and San Francisco had reasonably adequate ones. Birmingham and Cleveland did not develop formal employability plans. When they developed plans, the projects generally followed them.

San Antonio's plans showed educational and vocational goals, test scores, and personal facts about the enrollee that could affect his training and job performance. The plans also showed educational and vocational training schedules which are helpful in measuring enrollee progress. San Antonio developed employability plans and goals for 93 of the 94 enrollees.

Philadelphia developed adequate employability plans for all 49 enrollees. These plans showed enrollee educational and vocational goals and proposed assignments. On the basis of enrollee preferences and test scores, we concluded that reasonable goals were established for 43 enrollees; the other 6 had low scholastic achievements which could prevent them from reaching their goals.

San Francisco developed adequate employability plans with reasonable goals for all 74 enrollees. The plans showed educational and vocational goals and the general steps required to reach the goals. This project emphasized education and many of the enrollees' goals were to acquire either a high school diploma or a GED certificate.

Birmingham did not develop individual employability plans but included some elements of these in enrollee records. The project has a general plan for all enrollees and assigns them to remedial education on the basis of their test scores and to work experience sites on the basis of information obtained during initial interviews. Usually after 1 year, educational

and vocational goals are established on the basis of enrollee progress.

Cleveland did not prepare employability plans. The project emphasized education, not employment, and set a high school diploma as the goal for most enrollees.

ENROLLEE EVALUATIONS

Projects should evaluate enrollee progress to identify poor performance and correct it or to change the plan when appropriate. Without periodic evaluations, enrollees are less likely to meet their goals and the program tends to become an income-maintenance program with little emphasis on effective training.

Department guidelines require projects to evaluate enrollee progress at least every 3 months to determine whether they are progressing sufficiently and to reassess the reasonableness of their goals. We found that the frequency and quality of evaluations varied widely between projects.

San Antonio evaluated enrollee progress well, Birmingham and Philadelphia adequately, and San Francisco and Cleveland poorly.

San Antonio evaluated all 94 enrollees more frequently than required. The project evaluated progress in work and skill training biweekly, and progress in education monthly. This enabled the project to closely monitor performance and change employability plans when needed. It changed these plans for 18 enrollees because of its evaluations.

Although written evaluations were sometimes missing from the Birmingham project files, other records and discussions with counselors showed that enrollee progress was being adequately evaluated. Evaluations of enrollee work, skill training, and remedial education were required monthly. All 30 enrollees' evaluations appeared to be reasonable assessments of their progress.

Philadelphia generally evaluated its 49 enrollees monthly. These evaluations were reasonable appraisals of their progress. Philadelphia could improve its system by processing appraisals faster and completing all evaluations.

The San Francisco project did not evaluate some enrollees and evaluated others irregularly. Of our 74 sample enrollees, there was no record that 13 had ever been evaluated or that 30 had been evaluated in the 3 months before our test. It would be difficult for counselors to evaluate enrollees in the educational component because they did not obtain high school and college grades.

In an April 11, 1973, letter to the Department discussing the deficiencies we noted, the Project Director said he would evaluate every enrollee under the restructured counseling program at least every 90 days.

Cleveland did not prepare evaluations regularly. Many evaluations were of questionable use because they did not obtain grades from the schools. Of the 99 enrollees, 19 had not been evaluated in the 6 months before our test. Also, 27 evaluations stated that enrollees who had returned to school were doing well, although we found they were doing less than "C" work.

The lack of grades at the project was especially significant because Cleveland sent most of its enrollees back to school. If grades had been obtained, counselors would have found that high school or college attendance was inappropriate for many enrollees. Of the 69 enrollees in high school or college, only 24 students passed all courses; 24 students failed or withdrew from all courses, and the remaining 21 students failed or withdrew from 1 to 4 courses.

CONCLUSIONS

The restructured NYC-2 program guidelines are adequate for operating a project. Projects adhering to program requirements and adequately providing services are more likely to improve an enrollee's chances for employment.

The five projects we reviewed did not adhere to the guidelines to the same degree and did not offer the same type or quality of services.

San Antonio--the best example of a project adhering to program guidelines and providing services--had good assessment, prepared useful employability plans, followed the plans, and adequately evaluated enrollee progress. San Antonio also

had the best placement rate of the projects reviewed. Cleveland, however, neglected to assess enrollees, did not prepare employability plans, did not adequately evaluate enrollee progress, and had the poorest placement rate of the projects.

RECOMMENDATIONS TO THE SECRETARY OF LABOR

We recommend that the Secretary direct the Manpower Administrator to reemphasize to project sponsors the need

--to improve assessment and establish testing requirements to insure that enrollee needs are identified,

--to prepare employability plans specifying how enrollee needs will be met, and

--to periodically evaluate enrollee progress to determine whether it is sufficient and to reassess the reasonableness of enrollee goals.

AGENCY COMMENTS

The Department concurred in our recommendations and said it would issue appropriate instructions to the field reemphasizing the importance of adhering to program guidelines.

CHAPTER 5

WEAKNESSES IN PROJECT ADMINISTRATION

During our review, we observed certain weaknesses in project administration that caused overpayments to enrollees and also prevented other school dropouts from entering the program.

ENROLLEES IMPROPERLY CLASSIFIED HEAD OF FAMILY OR HOUSEHOLD

Contrary to NYC-2 regulations, four of the five projects paid increased benefits to youths without dependents by improperly classifying them head of family or household. The following table shows the number overpaid and the amount.

Project	Number of enrollees incorrectly paid	Projected annual overpayment
Birmingham	111	$ 66,378
Cleveland	31	21,359
Philadelphia	7	5,278
San Francisco	76	54,340
Total	225	$147,355

All projects except Philadelphia agreed that only enrollees with dependents should be paid the higher rate for heads of families or households, and said they would discontinue paying at the higher rate.

Philadelphia used a Department field memorandum definition for "family". This memorandum stated that an unmarried individual living alone or in group quarters will be classified a family if he or she

--is 18 years old or older (21 if in school),

--contributes less than 50 percent of the support of other family members, and

--receives less than 50 percent of his support from the family.

Using these criteria, Philadelphia paid the head of family or household rate to seven enrollees who claimed no dependents. Officials from the Department's Philadelphia regional office agreed with the project's action. Subsequently a headquarters official said the Philadelphia project had adopted a payment schedule under which each enrollee would be paid $1.60 an hour, with no additional stipend for head of family or household status. This procedure is in keeping with the method of payment established by section 111 (a) of the Comprehensive Employment and Training Act of 1973, which authorizes payment of this minimum wage plus an allowance for dependents under certain conditions.

IMPROPER PAYMENT OF DEPENDENCY ALLOWANCE

Cleveland improperly paid dependency allowances to enrollees who were not heads of families or households. During our 2-week test period, 90 enrollees improperly received $1,050--$5 a week for each of 105 dependents. Projected, this amounts to $27,300 annually.

Although NYC-2 regulations provide that a head of family or household is entitled to a dependency allowance of $5 a week for each dependent, the regulations prohibit such payments to enrollees who are not heads of families or households. When we brought this matter to the project director's attention, he said his staff had misinterpreted the regulation and would discontinue the practice.

INELIGIBLE YOUTHS IN THE PROGRAM

San Francisco did not adequately screen applicants and, consequently, allowed 31 ineligible youths to enter the program. They were ineligible because they had not dropped out of school. We brought this matter to the attention of the project director; as of April 11, 1973, 28 of the students had been terminated and the project was reviewing the status of the 3 remaining students.

The project has advised the Department's San Francisco regional office that applicants must now submit proof that they dropped out of school. Before youths are enrolled, the project will verify their status with school officials.

ENROLLEES RETAINED BEYOND 24-MONTH LIMITATION

On December 31, 1972, 63 enrollees in Cleveland had been in the program longer than NYC-2 regulations allowed. These enrollees had been allowed to remain in the program from 1 to 17 months beyond the limitation. Project directors can request Regional Manpower Administrators to extend this time period but did not.

Also, Birmingham and San Francisco each permitted five enrollees to remain beyond the limitation from 1 to 3 months. San Francisco received the only extension which was for one enrollee.

Cleveland's project director stated that he believed he had authority to extend enrollments and that he extended the time to permit a youth to reach his goal, usually a high school diploma, because he believed the youth would not reach his goal if terminated.

We discussed the matter with Department regional office staff and in an April 3, 1973, letter, the Department advised the sponsor that the project director never had authority to waive the 24-month limitation and that they considered retaining enrollees beyond 24 months a "deliberate violation" of program guidelines. The regional office recommended immediate compliance with NYC-2 guidelines.

Staff errors generally caused the enrollment of youths beyond 24 months in the San Francisco and Birmingham projects. At the time we completed our review, most of these enrollees had been terminated.

ARBITRARY CREDIT FOR TRANSPORTATION AND COUNSELING HOURS

Cleveland paid enrollees for transportation time contrary to the regulations and paid for unsupported counseling hours.

NYC-2 regulations state that enrollees can be paid for transportation time between a central pickup location and a distant project component. Most Cleveland enrollees did not qualify for this payment because they traveled directly

between their residences and a local school or worksite. In our 2-week test period, 269 of the 315 enrollees were paid for transportation time.

Also, in our test period, 184 Cleveland enrollees were paid for 5 or more counseling hours. We examined records for 19 of these enrollees and found no evidence that 7 had been counseled. For the remaining 12, we were unable to substantiate the number of hours.

San Antonio also paid some enrollees for transportation time, contrary to the regulations. Enrollees assigned to remedial education and vocational training were paid for an 8-hour day while attending training for only 7 hours. A project official explained that the eighth hour was for transportation; one-half hour in the morning and one-half hour in the afternoon.

RECOMMENDATIONS TO THE SECRETARY OF LABOR

To allow limited project funds to serve the greatest number of eligible youths, we recommend that the Secretary instruct the Manpower Administration to direct sponsors to comply with program regulations concerning enrollee payments and eligibility.

AGENCY COMMENTS

The Department concurred in our recommendation and said it would deal with the problems we noted in a communication to its field locations.

CHAPTER 6

NEED FOR IMPROVED MONITORING

Monitoring is a required phase of the NYC program. The extent to which the five projects we reviewed were monitored, however, varied significantly, from no monitoring to in-depth monitoring with followup visits to ascertain the extent of corrective actions taken. The Department corrected the deficiencies after we brought them to its attention. Adequate monitoring could have disclosed these deficiencies and could have provided a basis for corrective action at a much earlier point in time.

For example, the Cleveland project had no monitoring visit since July 1971; our review showed that this project was operating at significant variance from program guidelines. We found significant problems in project operations at the Birmingham and San Francisco projects. The monitoring visits made either were limited to financial activities or were not in sufficient depth to identify the deficiencies.

The San Antonio project had been monitored in early 1972 and the report issued in March 1972 described various financial and programmatic deficiencies. The subsequent January 1973 monitoring report noted considerable improvement and recommended additional actions for further improvement. A February 1973 reply to the January report described the further actions the project planned or had taken. The corrective actions involved intake and testing, counseling, employability development plans, placement, and followup. Of the five projects we reviewed, the San Antonio project was operating within the guidelines and was the most effective. In Philadelphia, where the project was also adhering to program guidelines, the Department had made two monitoring visits (March and October 1972) and found programmatic deficiencies. It made one followup visit in January 1973 to ascertain the extent of corrective action taken.

RECOMMENDATION TO THE SECRETARY OF LABOR

We recommend that the Secretary reemphasize to the regional offices the importance of adequate monitoring.

AGENCY COMMENTS

The Department said it has always stressed the importance and value of monitoring and, since the time of our review, monitoring has been intensified and steps were taken to correct some of the deficiencies noted in our report.

CHAPTER 7

SCOPE OF REVIEW

We reviewed selected aspects of the NYC-2 out-of-school program to see whether it was achieving its objectives and to evaluate project efforts to provide services to eligible youths.

We reviewed legislation and Department of Labor policies for administering the program and examined program regulations, reports, correspondence, and other records at the projects and Department of Labor regional offices. We interviewed officials from the projects, sponsors, school systems, and Regional Manpower Administration offices.

To evaluate the extent and services provided, we randomly selected files for enrollees paid in the following pay periods:

Project location	Pay period	Number of enrollees Paid	Selected
Cleveland	10- 1-72 to 10-14-72	315	99
Philadelphia	11-13-72 to 11-26-72	294	49
Birmingham	12- 3-72 to 12-16-72	277	30
San Antonio	12- 4-72 to 12-17-72	294	94
San Francisco	10-28-72 to 11-10-72	157	74

U.S. DEPARTMENT OF LABOR
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, D.C. 20210

DEC 28 1973

Mr. George D. Peck
Assistant Director
Manpower and Welfare Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Peck:

We have reviewed the General Accounting Office draft report entitled "Implementation of the Restructured Neighborhood Youth Corps Out-of-School Program in Urban Areas." This report had been sent to the five regional offices covered in the survey. Their comments have been consolidated into the following reply to this report.

Criteria Lacking to Measure Program Accomplishments

The program standards for NYC-2 define placement. The restructured program is concerned not merely with the placement of enrollees at the completion of their program tenure into permanent unsubsidized employment, although this would be the ultimate result of the services rendered. We view the referral to advanced training or further education to be features of equal magnitude.

The OPCS program performance measurement system zeros in on placement. Whereas the report is in essence accurate for the time of the review, it does not reflect the current picture or realistic future unless the national office evaluation through OPCS is taken into account.

Part of the difficulty lies in our present reporting system into which we are still building ways to measure successful terminations other than "suitable employment." The national office has already made several refinements to the system and

several regional offices have developed reporting systems that include data to show whether placements meet the requirements stated in the program standards. To deal with the problem, the San Francisco regional office instituted in January 1973, a performance evaluator. Regional averages are being tabulated for one year (1973) and will provide the basis for regional performance standards that can be written into all NYC-2 contracts.

Although the Department has not established quotas for individual projects, it expects tangible results through the implementation of the guidelines that have been established for project sponsors. Sponsors are instructed: (a) to ensure that enrollees have access to opportunities for employment, higher education, scholarships, more advanced training and apprenticeship; (b) to provide each enrollee with appropriate placement upon completion of training; (c) in followup procedures which include provision of appropriate services for the terminated enrollee.

Variations in Project Implementation

We agree that enrollees not receiving appropriate blends of services do not fully benefit from the program. Additional emphasis is given to this need in Manpower Administration Order No. 8-73,[1] which states that employability plans must still include skill training, education and work experiences, but the proportions of each are not mandated.

We further agree that enrollees who have returned to full-time school should not be retained in the out-of-school program unless there are no in-school opportunities available in which case NYC program standards make certain allowances.

If the enrollee desires to return to school and no in-school enrollment opportunities are available, the NYC sponsors should make provisions for the enrollee to pursue his education full-time in night school or part-time in regular high school. In either situation the enrollee's attendance at school shall be considered as the education component of his training plan. The Department will reemphasize to its

GAO note: Manpower Administration Order 8-73 was never issued. The substance of the order was included in a Field Memorandum issued in February 1974.

field offices the importance of adhering strictly to the requirements for continued participation.

[See GAO note.]

Variation in Methods of Providing Services

The GAO report indicated that the projects offered varying degrees of services as related to assessment, employability plans and the evaluation of enrollee performance.

The Department will issue appropriate instructions to the field reemphasizing the importance of adhering to program guidelines in these vital categories.

Weaknesses in Project Administration

The basic problems found by GAO in this area related to enrollee eligibility and compensation.

The Department dealt with these matters recently through Manpower Administration Order No. 8-73,

[See GAO note.]

The same Order permits waiver of the age limitations so that any person 16-25 years of age may be permitted to participate in the program. However, no participant may exceed the two-year maximum enrollment period limitation which remains in effect.

GAO note: Material deleted from this letter concerns matters included in the report draft which have been revised in the final report.

APPENDIX I

Need for Improved Monitoring

The Department has always stressed the importance and value of monitoring. Since the time of the GAO review, monitoring has been intensified, and steps have been taken to correct some of the deficiencies noted in the GAO report.

For example, the San Francisco regional office has issued corrective action letters to the local NYC-2 project directing that all remedial action be accomplished in two weeks. The region has placed a freeze on enrollments until Youth for Service demonstrates that it is capable of operating an effective NYC-2 program. If deficiencies are not corrected, the regional office will recommend that Youth for Service no longer be considered a potential subcontractor for manpower services. In addition, all sponsors in the regions are being notified that they must improve assessment of enrollee needs, and provide a blend of education, skill training and work experience that will increase the enrollee's employability.

Sincerely,

Fred G. Clark

FRED G. CLARK
Assistant Secretary for
Administration and Management

REASONS ENROLLEES TERMINATED FROM THE OUT-OF-SCHOOL PROGRAM IN CALENDAR YEAR 1972

	Total	Birmingham	Cleveland	Philadelphia	San Antonio	San Francisco
Number terminated	1,917	282	262	463	713	197
	Percentage					
Reason for termination:						
Employment	20.6	20.6	15.3	17.7	26.1	14.2
Poor attendance	15.5	9.6	5.0	23.6	14.4	23.4
Lack of progress or interest	11.3	9.2	19.1	12.5	7.3	15.2
Moved from area	11.0	16.0	8.8	6.5	13.9	7.6
Pregnancy of trainee	5.4	10.3	3.4	8.9	2.7	2.5
Care of family	4.7	.3	3.8	8.4	5.3	.5
Completed 2 years	4.5	12.8	16.8	1.5	-	-
Illness of trainee	3.5	2.8	1.9	4.1	5.0	.5
Returned to school	3.3	2.1	-	2.2	5.5	4.6
Entered Armed Forces	2.7	3.9	2.7	3.5	2.0	1.5
Misconduct	2.5	-	3.4	1.3	2.5	7.6
Unable to adjust	1.9	4.6	-	4.1	.5	-
Entered other program	1.5	3.2	-	1.9	1.5	-
Confinement	1.1	1.4	2.7	1.7	.3	.5
Became ineligible	.9	-	-	.6	2.0	-
Quit school	.8	-	1.9	-	1.4	-
Alcoholism, drugs	.3	-	1.1	-	.1	.5
Other	7.2	3.2	11.8	1.5	9.5	12.2
	100	100	100	100	100	100

Note: Due to rounding, the total of certain categories on this appendix will not equal the total of certain categories shown in the table on page 10 of this report.

APPENDIX III

ASSISTANCE PROVIDED TO PROGRAM ENROLLEES BY CATEGORY

	Birmingham	Cleveland	Philadelphia	San Antonio	San Francisco
Number of enrollees	277	315	294	294	157
	Percent				
Categories:					
High school or college	-	68	-	-	28
High school or college, work experience and/or skill training	8	12	2	-	22
Remedial education	-	-	-	7	10
Remedial education and work experience	62	-	1	47	3
Remedial education and skill training	-	-	9	29	14
Remedial education, work experience, and skill training	-	-	41	5	8
Work experience	-	17	-	2	5
Skill training	30	3	-	5	8
Work experience and skill training	-	-	38	3	1
Other	-	-	9	2	1
	100	100	100	100	100

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF LABOR RESPONSIBLE FOR ADMINISTERING NEIGHBORHOOD YOUTH CORPS PROGRAM

	Tenure of office	
	From	To
SECRETARY OF LABOR:		
Peter J. Brennan	Feb. 1973	Present
James D. Hodgson	July 1970	Feb. 1973
ASSISTANT SECRETARY FOR MANPOWER:		
William Kolberg	Apr. 1973	Present
Paul J. Fasser, Jr. (acting)	Jan. 1973	Apr. 1973
Malcolm R. Lovell	July 1970	Jan. 1973
MANPOWER ADMINISTRATOR:		
Vacant	Apr. 1973	Present
Paul J. Fasser, Jr.	Oct. 1970	Apr. 1973